

(Washington DC) On Friday, Congressman Charlie Gonzalez and seven other border Democrats sent a letter to Secretary of the Treasury John Snow requesting an immediate meeting to discuss the reported plans to shut down the North American Development Bank (NADB.) Reports in Mexico and the United States indicate that Department of the Treasury career staff is pushing to dissolve NADB without appropriate Congressional consultation. Originally chartered as part of the North American Free Trade Agreement, the NADB was a joint venture between the governments of the United States and Mexico designed to provide loans for sewage and water treatment facilities in border communities.

“This is yet another instance of career staff at the Department of the Treasury exceeding their authority,” said Congressman Gonzalez. “Just as with the Dubai Ports deal, career staff is again trying to make major foreign policy decisions that should be left to Congress and the President. We cannot allow executive department staff to disregard the jurisdiction of Congress. Doing so would open a Pandora's box of policy disasters. Career staff should not be able to act unilaterally without any checks, balances or review of decisions that could adversely affect our nation.

Moreover, the Department of the Treasury has resisted the NADB since its inception. I do not want to speculate as to the reasons why, but it has only been recently that NADB has been allowed to fulfill its mission of making below market interest rate loans to towns along the U.S.-Mexico Border to improve water treatment and sewage plants. This is what government is supposed to do: help people solve problems bigger than any one community.

NADB has been an important joint venture between the governments of Mexico and the United States, and closing the bank would do serious harm to our nations' efforts to work together. Decisions of this magnitude must be left to Congress and the President.”

The text of the letter is as follows:

The Honorable John Snow
Secretary
Department of the Treasury
1500 Pennsylvania Avenue NW

Washington, D.C. 20220

Dear Secretary Snow:

As Members of Congress concerned with border infrastructure and development, we write to express our strong support for the North American Development Bank (NADB). Since its inception, the NADB has been mutually beneficial to the United States and Mexico as well as the estimated 7.8 million people who live along the border. We are especially concerned with recent reports that officials at Treasury and its counterpart in Mexico, Hacienda, have been secretly meeting to dissolve the NADB without any congressional consultation. Given the importance of the NADB to the border region, we find this news very worrisome and request a meeting with you immediately.

The NADB has been instrumental in bringing a wide array of development projects to the border region. To date \$704 million has been provided for 90 border developmental projects with a total project cost of \$2.35 billion. Additionally, there are 59 projects in the development pipeline to further improve the infrastructure and the overall economic development of the border region.

While we understand there have been some concerns with the low activity level of the NADB, now is not the time to dissolve the bank. In 2001 Congress passed a reform package (P.L. 108-215) to permit the NADB to issue below-market-rate loans and a limited amount of grants in order to increase the number of projects the NADB supports. Additionally, the law authorizes extending the operational area of the NADB on the Mexican side of the border from 100 kilometers to 300 kilometers. These changes were a direct response to many of the concerns expressed by your department, and we are frustrated with the lack of urgency on Treasury's behalf to meet and implement changes.

It is inexcusable that the NADB Board on which you serve has not met in over two years.

Not only is that in violation of its charter, it has prevented the distribution of over \$80 million dollars in below market rate loans. There remains too much work to be done along the U.S.-Mexico border and the focus of the organization and your department should be on how to further improve the NADB and not how to dissolve it.

We appreciate your immediate consideration of this request and look forward to meeting with you in the coming days.

Solomon P. Ortiz
Charles A. Gonzalez
Ruben Hinojosa
Lloyd Doggett
Raul M. Grijalva
Henry Cuellar
Silvestre Reyes
Bob Filner